

**Fidelity Bank (Bahamas) Limited**  
**(Incorporated under the laws of the Commonwealth of The Bahamas)**

**Consolidated Statement of Financial Position (Unaudited)**  
**As of 30 June 2017**  
**(Expressed in Bahamian dollars)**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Cash on hand and at banks	101,530,444	75,219,924
Investment securities	78,278,522	77,129,401
Loans and advances to customers	385,004,476	386,803,562
Other assets	6,072,076	3,161,364
Investments in joint ventures	12,346,925	10,937,162
Property, plant and equipment	10,980,108	10,957,537
<b>Total assets</b>	<b><u>594,212,551</u></b>	<b><u>564,208,950</u></b>
<b>LIABILITIES</b>		
Deposits from customers	457,801,372	430,883,092
Accrued expenses and other liabilities	644,157	870,908
Debt securities	49,061,090	48,892,530
<b>Total liabilities</b>	<b><u>507,506,619</u></b>	<b><u>480,646,530</u></b>
<b>EQUITY</b>		
Capital – ordinary shares	20,333,243	20,333,243
Capital – preference shares	15,000,000	15,000,000
Revaluation reserve	378,809	392,251
Reserve for credit losses	3,859,464	3,855,116
Retained earnings	47,134,416	43,981,810
<b>Total equity</b>	<b><u>86,705,932</u></b>	<b><u>83,562,420</u></b>
<b>Total liabilities and equity</b>	<b><u>594,212,551</u></b>	<b><u>564,208,950</u></b>

**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Six Months Ended 30 June 2017**  
**(Expressed in Bahamian dollars)**

	<b>3 Months Ended</b>	<b>6 Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME</b>			
Interest income			
Bank deposits, loans and advances	14,145,007	28,155,540	26,407,384
Investment securities	<u>874,144</u>	<u>1,703,468</u>	<u>1,490,183</u>
	15,019,151	29,859,008	27,897,567
Interest expense	<u>(3,785,985)</u>	<u>(7,492,362)</u>	<u>(7,165,575)</u>
<b>Net interest income</b>	<b>11,233,166</b>	<b>22,366,646</b>	<b>20,731,992</b>
Fees and commissions	673,201	1,386,940	1,203,459
Rental income	20,156	40,313	40,313
Other income	<u>215,844</u>	<u>387,380</u>	<u>392,223</u>
<b>Total income</b>	<b><u>12,142,367</u></b>	<b><u>24,181,279</u></b>	<b><u>22,367,987</u></b>
<b>EXPENSES</b>			
General and administrative	2,728,000	5,219,865	4,489,886
Salaries and employee benefits	2,468,734	4,683,811	4,764,227
Provision for loan losses	2,118,146	4,129,093	3,492,916
Depreciation and amortisation	<u>338,698</u>	<u>732,613</u>	<u>789,445</u>
<b>Total expenses</b>	<b><u>7,653,578</u></b>	<b><u>14,765,382</u></b>	<b><u>13,536,474</u></b>
<b>Operating profit</b>	<b>4,488,789</b>	<b>9,415,897</b>	<b>8,831,513</b>
Share of profits of joint ventures	<u>728,339</u>	<u>1,428,187</u>	<u>1,239,900</u>
<b>Net income</b>	<b>5,217,128</b>	<b>10,844,084</b>	<b>10,071,413</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items not reclassified to net income</i>			
Property, plant and equipment revaluation	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<b><u><u>5,217,128</u></u></b>	<b><u><u>10,844,084</u></u></b>	<b><u><u>10,071,413</u></u></b>
<b>Weighted average number of ordinary shares outstanding</b>	<b>28,795,142</b>	<b>28,791,403</b>	<b>28,771,099</b>
<b>Earnings per share</b>	<b>0.16</b>	<b>0.36</b>	<b>0.33</b>

**Consolidated Statement of Changes in Equity (Unaudited)**  
**For the Six Months Ended 30 June 2017**  
**(Expressed in Bahamian dollars)**

	<b>Capital – Ordinary Shares \$</b>	<b>Capital – Preference Shares \$</b>	<b>Revaluation Reserve \$</b>	<b>Reserve for Credit Losses \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
As of 1 January 2017	<u>20,333,243</u>	<u>15,000,000</u>	<u>392,251</u>	<u>3,855,116</u>	<u>43,981,810</u>	<u>83,562,420</u>
<b>Comprehensive income</b>						
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,844,084</u>	<u>10,844,084</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,844,084</u>	<u>10,844,084</u>
<b>Transfers</b>						
Depreciation transfer	-	-	(13,442)	-	13,442	-
Appropriation for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,348</u>	<u>(4,348)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(13,442)</u>	<u>4,348</u>	<u>9,094</u>	<u>-</u>
<b>Transactions with owners</b>						
Dividends – preference shares	-	-	-	-	(483,904)	(483,904)
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,216,668)</u>	<u>(7,216,668)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,700,572)</u>	<u>(7,700,572)</u>
<b>As of 30 June 2017</b>	<u><b>20,333,243</b></u>	<u><b>15,000,000</b></u>	<u><b>378,809</b></u>	<u><b>3,859,464</b></u>	<u><b>47,134,416</b></u>	<u><b>86,705,932</b></u>
<b>Dividends per share</b>	<u><b>0.25</b></u>	<u><b>0.32</b></u>				

**Consolidated Statement of Changes in Equity (Unaudited)**  
**For the Year Ended 31 December 2016**  
**(Expressed in Bahamian dollars)**

	<b>Capital – Ordinary Shares \$</b>	<b>Capital – Preference Shares \$</b>	<b>Revaluation Reserve \$</b>	<b>Reserve for Credit Losses \$</b>	<b>Retained Earnings \$</b>	<b>Total \$</b>
As of 1 January 2016	<u>20,241,119</u>	<u>15,000,000</u>	<u>875,780</u>	<u>3,647,593</u>	<u>34,998,204</u>	<u>74,762,696</u>
<b>Comprehensive income</b>						
Net income	-	-	-	-	21,687,965	21,687,965
<i>Other comprehensive income</i>						
Property, plant and equipment revaluation	<u>-</u>	<u>-</u>	<u>(456,645)</u>	<u>-</u>	<u>-</u>	<u>(456,645)</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>(456,645)</u>	<u>-</u>	<u>21,687,965</u>	<u>21,231,320</u>
<b>Transfers</b>						
Depreciation transfer	-	-	(26,884)	-	26,884	-
Appropriation for credit losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,523</u>	<u>(207,523)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>-</u>	<u>(26,884)</u>	<u>207,523</u>	<u>(180,639)</u>	<u>-</u>
<b>Transactions with owners</b>						
Issuance of ordinary shares	92,124	-	-	-	75,826	167,950
Dividends – preference shares	-	-	-	-	(1,052,877)	(1,052,877)
Dividends – ordinary shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,546,669)</u>	<u>(11,546,669)</u>
Total transactions with owners	<u>92,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,523,720)</u>	<u>(12,431,596)</u>
<b>As of 31 December 2016</b>	<u><b>20,333,243</b></u>	<u><b>15,000,000</b></u>	<u><b>392,251</b></u>	<u><b>3,855,116</b></u>	<u><b>43,981,810</b></u>	<u><b>83,562,420</b></u>
<b>Dividends per share</b>	<u><b>0.40</b></u>	<u><b>0.70</b></u>				

**Notes to the Consolidated Financial Statements (Unaudited)**  
**For the Six Months Ended 30 June 2017**  
**(Expressed in Bahamian dollars)**

**Capital Management**

The objectives of Fidelity Bank (Bahamas) Limited (the Bank) when managing capital, which comprises total equity on the face of the consolidated statement of financial position, are:

- To comply with the capital requirements set by the Central Bank of The Bahamas (the Central Bank).
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques designed to ensure compliance with guidelines established by the Central Bank, including quantitative and qualitative measures. The required information is filed with the Central Bank on a quarterly basis.

The Central Bank, the Bank's principal regulator, requires that the Bank maintains a ratio of total regulatory capital to risk-weighted assets at or above a minimum of 14.00%. For the six months ended 30 June 2017 and the year ended 31 December 2016, the Bank complied with all of the externally imposed capital requirements to which it is subject.